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GOVERNMENT OF INDIA

MINISTRY OF LAW

New Delhi, the 3rd October 1949

ORDINANCE No. XXVI of 1949.

AN

ORDINANCE

to provide for the control of the sale, supply and distribution of drugs.

WHEREAS an emergency has arisen which makes it necessary to provide for the control of the sale, supply and distribution of drugs,

NOW, THEREFORE, in exercise of the powers conferred by section 42 of the Government of India Act, 1935 (23 Geo 5, c. 2), the Governor General is pleased to make and promulgate the following Ordinance.—

1. **Short title, extent and commencement.**— (1) This Ordinance may be called the Drugs (Control) Ordinance, 1949

(2) It extends to all the Chief Commissioners' Provinces

(3) It shall come into force at once

2. **Interpretation.**— (1) In this Ordinance, unless there is anything repugnant in the subject or context —

(a) "dealer" means a person carrying on, either personally or through any other person, the business of selling any drugs, whether wholesale or retail;

(b) "drug" means any drug as defined in clause (b) of section 3 of the Drugs Act, 1940 (XIII of 1940) in respect of which a declaration has been made under section 3,

(c) "offer for sale" includes a reference to an intimation by a person of the price proposed by him for a sale of any drug, made by the publication of a price list, by exposing the drug for sale in association with a mark indicating price, by the furnishing of a quotation or otherwise howsoever,

(d) "producer" includes a manufacturer.

(2) A drug shall be deemed to be in the possession of a person—

- (i) when it is held on behalf of that person by another person,
- (ii) notwithstanding that it is mortgaged to another person.

3. Drugs to which this Ordinance applies.—The Central Government may, by notification in the official Gazette, declare any drug to be a drug to which this Ordinance shall apply.

4. Fixing of maximum prices and maximum quantities which may be held or sold.—(1) The Chief Commissioner may, by notification in the official Gazette, fix in respect of any drug—

- (a) the maximum price or rate which may be charged by a dealer or producer;
- (b) the maximum quantity which may at any one time be possessed by a dealer or producer;
- (c) the maximum quantity which may in any one transaction be sold to any person.

(2) The prices or rates and the quantities fixed in respect of any drug under this section may be different in different localities or for different classes of dealers or producers.

5. Restrictions on sale, etc., where maximum is fixed under section 4.—No dealer or producer shall—

- (a) sell, agree to sell, offer for sale or otherwise dispose of to any person any drug for a price or at a rate exceeding the maximum fixed by notification under clause (a) of sub-section (1) of section 4;
- (b) have in his possession at any one time a quantity of any drug exceeding the maximum fixed by notification under clause (b) of sub-section (1) of section 4; or
- (c) sell, agree to sell or offer for sale to any person in any one transaction a quantity of any article exceeding the maximum fixed by notification under clause (c) of sub-section (1) of section 4.

6 General limitation on quantity which may be possessed at one time.—(1) No person shall have in his possession at any one time a greater quantity of any drug to which this section applies than the quantity necessary for his reasonable needs.

(2) This section shall apply only to such drugs as the Chief Commissioner may, by order published in the official Gazette, specify for the purpose:

Provided that nothing contained in this section shall apply to a dealer or producer in respect of any drug sold or produced by him.

7. Duty to declare possession of excess stocks.—Any person having in his possession a quantity of any drug exceeding that permitted by or under this Ordinance shall forthwith report the fact to the Chief Commissioner or other officer empowered in this behalf by the Chief Commissioner, and shall take such action as to the storage, distribution or disposal of the excess quantity as the Chief Commissioner may direct.

8. Refusal to sell.—No dealer or producer shall, unless previously authorised to do so by the Chief Commissioner, without sufficient cause refuse to sell to

any person any drug within the limits as to quantity, if any, imposed by this Ordinance.

Explanation.—The possibility or expectation of obtaining a higher price for a drug at a later date shall not be deemed to be a sufficient cause for the purpose of this section.

9. Cash memorandum to be given of certain sales.—(1) Every dealer or producer when selling any drug for cash shall, if the amount of the purchase is five rupees or more, in all cases, and, if the amount of the purchase is less than five rupees, when so requested by the purchaser, give to the purchaser a cash memorandum containing particulars of the transaction.

(2) The Chief Commissioner may, by notification in the official Gazette, prescribe the particulars to be contained in any such cash memorandum.

(3) The Chief Commissioner may, by notification in the official Gazette, exempt specified areas, classes of dealers or producers, or classes of drugs from the operation of this section.

10 Marking of prices and exhibiting price list.—(1) The Chief Commissioner may direct dealers or producers in general, or any dealer or producer in particular, to mark any drug exposed or intended for sale with the sale prices or to exhibit on the premises a price list of drugs held for sale, and may further give directions as to the manner in which any such direction as aforesaid is to be carried out.

(2) No dealer shall destroy, efface or alter any label or mark affixed to a drug and indicating the price marked by a producer.

11. Obligation to state price separately on composite offer.—Where a dealer or producer makes an offer to enter into a transaction for a consideration to be given as a whole in respect both of a sale of any drug and of some other matter, the dealer or producer making the offer shall state in writing the price which he assigns to that drug, if he is required to do so by any person to whom the offer is made, and the offer shall be deemed for the purposes of this Ordinance to be an offer to sell that drug at the price so stated.

12. Prohibition of sale, etc., and requisitioning of drugs.—(1) If in the opinion of the Chief Commissioner it is necessary or expedient so to do, he may, by order in writing—

(a) prohibit the disposal of any drug except in such circumstances and under such conditions as may be specified in the order;

(b) direct the sale of any drug to any such dealer or class of dealers and in such quantities as may be specified in the order;

(c) requisition any drug (whether at the place of import or at any other place);

and make such further orders as appear to him to be necessary or expedient in connection with any order issued under this sub-section.

(2) Where the Chief Commissioner has requisitioned any drug under sub-section (1), he may use or deal with the drug in such manner as may appear to him to be expedient, and may acquire it by serving on the owner thereof or, where the owner is not readily traceable or the ownership is in dispute, by publishing in the official Gazette a notice stating that the Chief Commissioner has decided to acquire it in pursuance of this section.

(3) Where a notice of acquisition is served on the owner of the drug or published in the official Gazette under sub-section (2), then at the beginning of the day on which the notice is so served or published, the drug shall vest in the Central Government free from any encumbrance and the requisition thereof shall be deemed to have ended.

(4) Whenever in pursuance of this section the Chief Commissioner requisitions or acquires any drug, the owner thereof shall be paid such compensation as the Central Government may by rules prescribe.

(5) The Chief Commissioner may, with a view to requisitioning any drug under sub-section (1) or determining the compensation payable under sub-section (4), by order—

(a) require any person to furnish to such authority as may be specified in the order such information in his possession relating to the drug as may be so specified;

(b) direct that the owner of the drug shall not, without the permission of the Chief Commissioner, dispose of it till the expiry of such period as may be specified in the order.

13. Penalties.—(1) Whoever contravenes any of the provisions of this Ordinance or of any direction made under authority conferred by this Ordinance shall be punishable with imprisonment for a term which may extend to three years or with fine or with both.

(2) A Court convicting any person of an offence punishable under this Ordinance may order that the whole or any part of the stock of drugs in respect of which the offence was committed shall be forfeited to the Government.

(3) It shall be a defence for a person charged with a contravention of any of the provisions of this section to prove that, in relation to the matter in respect of which he is charged, he acted in the course of his employment as a servant or agent of another person on the instructions of his employer or of some other specified person.

14. Offences by corporations.—Where a person committing an offence punishable under this Ordinance is a company or an association or a body of persons, whether incorporated or not, every director, manager, secretary, agent or other officer or person concerned with the management thereof, shall, unless he proves that the offence was committed without his knowledge or that he has exercised all due diligence to prevent its commission, be deemed to be guilty of such offence.

15. Procedure.—(1) No person other than a police officer of or above the rank of an Inspector of Police or an officer not below the rank of an Inspector of Police authorised in this behalf by the Central Government by notification in the official Gazette, shall investigate any offence under this Ordinance.

(2) No prosecution for any offence punishable under this Ordinance shall be instituted except with the previous sanction of the District Magistrate.

16. Powers of search and seizure.—Any person competent to investigate any offence under this Ordinance may search any place in which he has reason to believe that an offence under this Ordinance has been, or is being committed, and take possession of any stock of drugs in respect of which the offence has been or is being committed.

17. Power to make rules.—(1) The Central Government may make rules to carry out the purposes of this Ordinance.

(2) In particular, and without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters, namely,—

(a) the maintenance by dealers and producers generally, or by any dealer or producer in particular, of records of all sale and purchase transactions made by them,

(b) the furnishing of any information as may be required with respect to the business carried on by any dealer or producer;

(c) the inspection of any books of account or other documents belonging to or under the control of any dealer or producer;

(d) the compensation which shall be payable under section 12 and the manner in which such compensation shall be determined.

18. Protection of action taken in good faith.—No suit prosecution or other legal proceeding shall lie against any person for anything in good faith done or intended to be done under this Ordinance.

19. Saving of other laws.—The provisions of this Ordinance shall be in addition to and not in derogation of any other law for the time being in force regulating any of the matters dealt with in this Ordinance.

C. RAJAGOPALACHARI,

Governor-General

K V K. SUNDARAM,

Secy to the Govt. of India

